

**FCC BROADBAND ADOPTION LIFELINE PILOT PROGRAM  
2<sup>ND</sup> SUPPLEMENT TO**

**APPLICATION NARRATIVE SUBMITTED BY  
ELIGIBLE TELECOMMUNICATIONS CARRIERS  
SACRED WIND COMMUNICATIONS, INC. AND  
NAVAJO COMMUNICATIONS COMPANY, INC. AND  
THEIR PARTNERS:  
NAVAJO NATION,  
NATIVE RESOURCE DEVELOPMENT,  
1ST-MILE INSTITUTE,  
LONE EAGLE CONSULTING,  
DAVIS COMMUNITY NETWORK,  
GLOBAL CENTER FOR CULTURAL ENTREPRENEURSHIP, AND  
PIVOT GROUP, LLC**

**WC DOCKET NO. 11-42**

Pursuant to further requests from Program administrators for information on portions of the applicant's proposal for participation in the FCC's Broadband Adoption Lifeline Pilot Program, the following information is provided. Page numbers given below refer to the page of the applicants' original proposal.

1. Explanation of modem installation charges assessed by Frontier Corporation process, page 18.

The current installation cost for Frontier is \$149.99, which is the standard cost for all customers in Arizona and New Mexico since July 1st, 2012. The high cost is due to the extensive labor cost associated with serving the vast geographic expanse of the Navajo Nation. For instance, the travel time to each customer job site averages one hour due to the low population density. The fully loaded labor rate for technicians is currently running at \$150.00 per hour. The current installation/modem configuration charge for Sacred Wind is \$99.00 which also takes into account an inordinate drive time for the company's technicians and time on premise to install the modem and/or configure the customer's personal computer with the modem's IP address, and to apply a bandwidth test and make any adjustments to the customer's radio antenna to improve a signal. Sacred Wind operates in a service territory the size of the state of Delaware and has, to date, one customer per square mile.

2. Reduction in subsidy requested for modem installation & configuration for both applicants, page 18.

**Total Subsidy Required.**

Frontier with 300 treatment group members

- 300 customers x \$32.00 monthly discount x 12 months = \$115,200
- Nonrecurring installation fee: 50% of \$149.99 total (\$75) x 300 = \$22,500
  - Frontier total = \$137,697

Sacred Wind with 400 treatment group members

- 400 customers x \$45 monthly discount x 12 months = \$216,000
- Nonrecurring installation/modem config fee: 50% of \$99.00 total (\$49.50) x 400 = \$19,800
- Sacred Wind total = \$235,800

Program total = \$373,497